

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 244

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO THE LOCAL ECONOMIC DEVELOPMENT ACT; AMENDING SECTION 50-2904, IDAHO CODE, TO PROVIDE CODE REFERENCES, TO REVISE PROVISIONS RELATING TO CERTAIN LIMITS; AMENDING SECTION 50-2905, IDAHO CODE, TO REVISE PROVISIONS RELATING TO PLANS FOR REVENUE ALLOCATION AREAS, TO PROVIDE FOR APPROVAL OF SUCH PLANS AND TO MAKE TECHNICAL CORRECTIONS; AND AMENDING SECTION 50-2907, IDAHO CODE, TO PROVIDE FOR THE FILING OF A REPORT, TO PROVIDE REQUIREMENTS RELATED TO CERTAIN FILINGS AND SUBMITTALS RELATING TO REVENUE ALLOCATION AREAS, TO PROHIBIT THE REALLOCATION OF REVENUE IN CERTAIN CIRCUMSTANCES, TO PROVIDE FOR THE SUSPENSION OF THE REALLOCATION OF TAX REVENUE, TO PROVIDE FOR AN EXCEPTION, TO PROVIDE FOR NOTICE AND TO PROVIDE FOR THE APPLICATION OF LAW.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 50-2904, Idaho Code, be, and the same is hereby amended to read as follows:

50-2904. AUTHORITY TO CREATE REVENUE ALLOCATION AREA. An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan or competitively disadvantaged border community area ordinance. A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area or thereafter as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area. Urban renewal plans existing prior to the effective date of this section may be modified to include a revenue allocation financing provision. Except as provided ~~below~~ in subsections (1), (2) and (3) of this section, no revenue allocation provision of an urban renewal plan or competitively disadvantaged border community area ordinance, including all amendments thereto, shall have a duration exceeding twenty-four (24) years from the date the ordinance is approved by the municipality; and provided further, no additions to the land area of an existing revenue allocation area shall be interpreted to or shall cause an extension of the date of the twenty-four (24) year limit that was originally established for the revenue allocation area. Notwithstanding these limitations, tThe duration of the revenue allocation financing provision may be extended if:

(1) The maturity date of any bonds issued to provide funds for a specific project in the revenue allocation area and payable from the revenue allocation financing provision exceeds the duration of the revenue allocation financing provision, provided such bond maturity is not greater than thirty (30) years; or

(2) The urban renewal agency determines that it is necessary to refinance outstanding bonds payable from the revenue allocation financing provision to a maturity exceeding the twenty-four (24) year duration of the revenue allocation financing provision in order to avoid a default on the bonds; or

(3) The local governing body has adopted an urban renewal plan or competitively disadvantaged border community area ordinance or an amendment to an urban renewal plan or competitively disadvantaged border community area ordinance prior to July 1, 2000, in which is defined the duration of the plan beyond a period of twenty-four (24) years, in which case the revenue allocation provision shall have a duration as described in such urban renewal plan or competitively disadvantaged border community area ordinance; and

(4) During the extensions set forth in subsections (1) and (2) of this section, any revenue allocation area revenues exceeding the amount necessary to repay the bonds during the period exceeding the twenty-four (24) year maturity of the revenue allocation financing provision shall be returned to the taxing districts in the revenue allocation area on a pro rata basis.

SECTION 2. That Section 50-2905, Idaho Code, be, and the same is hereby amended to read as follows:

50-2905. RECOMMENDATION OF URBAN RENEWAL AGENCY. In order to implement the provisions of this chapter, the urban renewal agency of the municipality shall prepare and adopt a plan for each revenue allocation area and submit the plan and recommendation for approval thereof to the local governing body. The plan shall include ~~a statement listing:~~

(1) A statement describing the value of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality.

(2) A statement listing ~~t~~The kind, number, and location of all proposed public works or improvements within the revenue allocation area;

(3) ~~23~~ An economic feasibility study;

(4) ~~34~~ A detailed list of estimated project costs;

(5) ~~45~~ A fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property on the revenue allocation area; ~~and~~

(6) ~~56~~ A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred;

(7) ~~67~~ A termination date for the plan and the revenue allocation area as provided for in section 50-2903(20), Idaho Code. In determining the termination date, the plan shall recognize that the agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the urban renewal plan;

(8) ~~78~~ A description of the disposition or retention of any assets of the agency upon the termination date. Provided however, nothing herein shall prevent the agency from retaining assets or revenues generated from such assets as long as the agency shall have resources other than revenue allocation funds to operate and manage such assets; and

(9) Such revenue allocation area plan shall be approved by resolution by all taxing districts whose geographical boundaries overlap the boundaries of the revenue allocation area.

SECTION 3. That Section 50-2907, Idaho Code, be, and the same is hereby amended to read as follows:

1        50-2907. TRANSMITTAL OF REVENUE ALLOCATION AREA DESCRIPTION  
2 AND OTHER DOCUMENTS TO TAXING AGENCIES – FILING ANNUAL REPORT WITH  
3 COUNTY CLERK AND STATE TAX COMMISSION. (1) After the effective date of an  
4 ordinance enacted by the local governing body of an authorized municipality, the clerk of the  
5 authorized municipality shall transmit, to the county auditor and tax assessor of the county in  
6 which the revenue allocation area is located, to the affected taxing districts, and to the state tax  
7 commission, a copy of the ordinance enacted, a copy of the legal description of the boundaries  
8 of the revenue allocation area, and a map indicating the boundaries of the revenue allocation  
9 area.

10        (2) For revenue allocation areas extending beyond the corporate municipal boundary of  
11 the authorized municipality, the copy of the ordinance enacted by the authorized municipality  
12 shall include, as an attachment, a copy of the transfer of powers ordinance adopted by the  
13 cooperating county under section 50-2906(3)(b), Idaho Code.

14        (3) An urban renewal agency or the clerk of the authorized municipality that enacted  
15 the ordinance creating a competitively disadvantaged border community area shall file a report  
16 by April 15 of each year with the county clerk and the state tax commission, which states the  
17 value of the base assessment roll, the increment value, the current total assessed valuation of  
18 all taxable property within the revenue allocation area and the total assessed valuation of all  
19 taxable property within the municipality. The report shall use the most current available values.

20        (a) The report shall accompany any required filing with the state tax commission  
21 regarding any expansion of a revenue allocation area except that reporting the increment  
22 value shall not be required.

23        (b) Such submittals to the county clerk and the state tax commission shall be certified  
24 by either the county assessor, the county treasurer or a certified public accountant. The  
25 report issued with the certification shall state whether or not the base assessment roll  
26 of the revenue allocation area is in compliance with the ten percent (10%) limitation  
27 requirement specified in section 50-2903(15), Idaho Code.

28        (c) The state tax commission or the county commissioners shall not permit the  
29 reallocation of revenue when the base assessment roll of the revenue allocation area  
30 does not comply with section 50-2903(15), Idaho Code, based on the best information  
31 available, and shall include the increment value in the value of the base assessment roll.

32        (d) When the annual report indicates that the base assessment roll of the revenue  
33 allocation area does not comply with the requirements of section 50-2903(15), Idaho  
34 Code, the state tax commission or the county commissioners shall suspend the  
35 reallocation of tax revenue for the following year and shall include the increment value  
36 in the base assessment roll unless, by September 1 of the following year, the base  
37 assessment roll of the revenue allocation area has been brought into compliance with  
38 section 50-2903(15), Idaho Code. Notice of the pending suspension by the state tax  
39 commission or the county commissioners of the reallocation of tax revenue shall be made  
40 to the urban renewal agency by certified mail. Such notice shall be sent within thirty (30)  
41 days of receipt of the annual report from the urban renewal agency. Provided however,  
42 that should the revenue allocation area revenues be used to retire the bonded indebtedness  
43 of an urban renewal agency or the authorized municipality that enacted the ordinance  
44 creating a competitively disadvantaged border community, the reallocation of revenue  
45 shall not be suspended. However, such urban renewal agency or authorized municipality  
46 shall not make any expenditures or other investments in any project or projects authorized

1 pursuant to this chapter where physical construction has not commenced as of the date of  
2 the filing of the annual report referenced in this paragraph (3)(d). All moneys from the  
3 reallocation of revenue shall be used to retire the bonded indebtedness of such agency or  
4 authorized municipality in a manner such that the revenue allocation area can be reduced  
5 in size to conform to the provisions of section 50-2903(15), Idaho Code.

6 (e) Should the reallocation of revenue be suspended, the affected taxing districts  
7 receiving the additional property tax revenue shall be subject to the limitations of section  
8 63-802, Idaho Code.

9 (4) Such documents shall be transmitted within the time required by section 63-215,  
10 Idaho Code.